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8 **UNITED STATES DISTRICT COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**
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11 WEBCELEB, INC.,

12 Plaintiff,

13 vs.

14 THE PROCTER & GAMBLE COMPANY,
15 et al.,

16 Defendants.

CASE NO. 10cv2318 DMS (NLS)

**ORDER DENYING DEFENDANTS
BERMANBRAUN, LLC AND
MICROSOFT CORPORATION'S
MOTION TO DISMISS**

[Docket No. 49]

17 This case comes before the Court on Defendants BermanBraun, LLC and Microsoft
18 Corporation's motion to dismiss. Plaintiff Webceleb, Inc. filed an opposition to the motion, and
19 Defendants filed a reply. For the reasons discussed below, the Court denies Defendants' motion.

20 **I.**

21 **BACKGROUND**

22 Plaintiff Webceleb, Inc.:

23 is the owner of U.S. Trademark Registration No. 3756711 for the mark WEBCELEB in
24 international class 042 for "Providing temporary use of on-line non-downloadable
25 software to enable uploading, posting, showing, displaying, tagging, blogging, sharing,
or otherwise providing electronic media or information in the field of general interest
over the Internet or other communications network."

26 (First Am. Compl. ¶ 7.) Plaintiff "operates an online social marketplace for independent music that
27 brings independent musicians and music fans together." (*Id.* ¶ 9.) The musicians use Plaintiff's

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1 platform to distribute their music directly to fans, and fans use the platform to browse for and purchase
2 music. (*Id.*) Plaintiff also produces concerts featuring artists on Plaintiff's website. (*Id.* ¶ 11.)

3 In October 2010, Plaintiff experienced an unexpected number of visitors to its website. (*Id.* ¶
4 17.) Plaintiff discovered this spike in virtual traffic was caused by Defendants' advertising and
5 promotion of a category of the People's Choice Awards, namely the "Web Celeb" category. (*Id.* ¶ 18.)

6 On November 9, 2010, Plaintiff filed the present case against Defendant Procter & Gamble
7 alleging claims for trademark infringement and unfair competition. Plaintiff filed a First Amended
8 Complaint on October 11, 2011, alleging the same claims but adding Defendants BermanBraun and
9 Microsoft. The present motion followed.

10 II.

11 DISCUSSION

12 Defendants move to dismiss the claims alleged in the First Amended Complaint. They argue
13 Plaintiff lacks standing, and it has failed to plead a claim for trademark infringement.¹

14 A. Standard of Review

15 In two recent opinions, the Supreme Court established a more stringent standard of review for
16 12(b)(6) motions. *See Ashcroft v. Iqbal*, 556 U.S. 662, 129 S.Ct. 1937 (2009); *Bell Atlantic Corp. v.*
17 *Twombly*, 550 U.S. 544 (2007). To survive a motion to dismiss under this new standard, "a complaint
18 must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its
19 face.'" *Iqbal*, 129 S.Ct. at 1949 (citing *Twombly*, 550 U.S. at 570). "A claim has facial plausibility
20 when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the
21 defendant is liable for the misconduct alleged." *Id.* (citing *Twombly*, 550 U.S. at 556).

22 "Determining whether a complaint states a plausible claim for relief will ... be a context-specific
23 task that requires the reviewing court to draw on its judicial experience and common sense." *Id.* at 1950
24 (citing *Iqbal v. Hasty*, 490 F.3d 143, 157-58 (2d Cir. 2007)). In *Iqbal*, the Court began this task "by
25 identifying the allegations in the complaint that are not entitled to the assumption of truth." *Id.* at 1951.

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28 ¹ Defendants also argue Plaintiff's unfair competition claim fails with the trademark
infringement claim.

1 It then considered “the factual allegations in respondent’s complaint to determine if they plausibly
2 suggest an entitlement to relief.” *Id.* at 1951.

3 **B. Standing**

4 Defendants’ first argument in support of their request for dismissal is that Plaintiff lacks
5 standing. Specifically, Defendants argue Plaintiff has failed to allege sufficient facts to show injury.²
6 However, the Court disagrees. Plaintiff has alleged that Defendants violated Plaintiff’s exclusive right
7 to the mark “webceleb.” Although Plaintiff does not specifically plead the type of injury it suffered
8 from this alleged trademark infringement, it is reasonable to infer that the injury suffered is the damage
9 to Plaintiff’s reputation. *See Wine Group LLC v. Levitation Management, LLC*, No. CIV. 2:11-1704
10 WBS JFM, 2011 WL 4738335, at *5 (E.D. Cal. Oct. 6, 2011) (stating “injury in a trademark
11 infringement case is the damage to the trademark owner’s reputation). Accordingly, the Court rejects
12 Defendants’ argument that Plaintiff has not plead sufficient facts to show injury, and therefore lacks
13 standing to pursue this case.

14 **C. Trademark Infringement**

15 Turning to the substantive claims, Plaintiff’s first claim is for trademark infringement. To
16 prevail on this claim, Plaintiff “must show that: (1) it has a valid, protectable trademark, and (2) that
17 [Defendants’] use of the mark is likely to cause confusion.” *Applied Information Sciences Corp. v.*
18 *eBAY, Inc.*, 511 F.3d 966, 969 (9th Cir. 2007). Defendants challenge each of these elements. They also
19 argue Plaintiff’s claim must be dismissed because their use of the term “Web Celeb” is constitutionally-
20 protected speech, and falls under the fair use doctrine.

21 1. A Valid, Protectable Mark

22 The first issue for the Court is whether Plaintiff has alleged that it has a valid, protectable
23 trademark. Plaintiff alleges it:

24 is the owner of U.S. Trademark Registration No. 3756711 for the mark WEBCELEB in
25 international class 042 for “Providing temporary use of on-line non-downloadable
software to enable uploading, posting, showing, displaying, tagging, blogging, sharing,

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27 ² Defendants also argue Plaintiff has failed to allege sufficient facts to show causation. That
28 argument is based on Defendants’ assertion that Plaintiff has failed to allege sufficient facts to show
a likelihood of confusion. As set out below, the Court declines to address that assertion in the context
of the present motion. Accordingly, the Court likewise rejects Defendants’ argument about causation
for standing purposes.

1 or otherwise providing electronic media or information in the field of general interest
2 over the Internet or other communications network.”

3 (First Am. Compl. ¶ 7.) Registration of this mark “constitutes prima facie evidence of the validity of
4 the registered mark and of [the registrant’s] exclusive right to use the mark on the goods and services
5 specified in the registration.” *Applied Information Sciences*, 511 F.3d at 970 (quoting *Brookfield*
6 *Communications, Inc., v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1047 (9th Cir. 1999)).

7 Defendants do not dispute that registration of Plaintiff’s mark raises a presumption of validity,
8 but they argue that presumption applies only to the goods and services listed in the certificate.
9 Defendants assert their use of the term “Web Celeb” falls outside the scope of those goods and services,
10 therefore the presumption of validity does not apply here. However, the distinction between the goods
11 and services offered by Plaintiff and Defendants is not so obvious that the Court can resolve this issue
12 on a motion to dismiss. Both Plaintiff and Defendants host websites that involve the entertainment
13 industry, and both use the term “webceleb” or “Web Celeb” in connection with those efforts. Thus, at
14 this stage of the proceeding, Plaintiff is entitled to a presumption that its trademark is valid.

15 Having made this prima facie showing, the burden falls on Defendants to demonstrate that
16 Plaintiff’s mark is invalid. *Humboldt Wholesale, Inc. v. Humboldt Nation Distribution, LLC*, No. C-11-
17 4144 EMC, 2011 WL 6119149, at *2 (N.D. Cal. Dec. 8, 2011) (citations omitted). “The defendant can
18 only overcome the registered mark’s presumption of validity by showing by a preponderance of
19 evidence that the mark is not protectable.” *Id.* (citing *Zobmondo Entertainment, LLC v. Falls Media,*
20 *LLC*, 602 F.3d 1108, 1114 (9th Cir. 2010)). Here, Defendants attempt to meet that showing by arguing
21 Plaintiff’s mark is generic or descriptive.

22 “Whether a mark is generic or descriptive is a question of fact.” *Solid 21, Inc. v. Breitling USA,*
23 *Inc.*, No. CV 11-0457 GAF (PLAx), 2011 WL 2938209, at *4 (C.D. Cal. July 19, 2011) (citing
24 *Advertise.com, Inc. v. AOL Advertising, Inc.*, 616 F.3d 974, 977 (9th Cir. 2010)). As a result, Plaintiff
25 argues these issues are inappropriate for resolution on a motion to dismiss. This Court agrees with
26 Plaintiff, and thus declines to consider these issues in ruling on the present motion. *See*
27 *FragranceNet.com, Inc. v. Les Parfums, Inc.*, 672 F.Supp.2d 328, 333-34 (E.D.N.Y. 2009) (concluding
28 question of whether trademark is generic is inappropriate for determination on motion to dismiss).

1 Absent these arguments, Defendants have not shown that Plaintiff has failed to allege it has a valid,
2 protectable trademark.

3 2. Likelihood of Confusion

4 Next, Defendants argue Plaintiff has failed to allege sufficient facts to demonstrate there is a
5 likelihood of confusion between Defendants' use of the term "Web Celeb" and Plaintiff's trademark.
6 As with Defendants' arguments about the validity of the mark, this argument is inappropriate for
7 resolution on a motion to dismiss. *See Church & Dwight Co., Inc. v. Mayer Labs., Inc.*, No. C-10-4429
8 EMC, 2011 WL 1225912, at *20 (N.D. Cal. Apr. 1, 2011); *Dita, Inc. v. Mendez*, No. CV 10-6277 PSG
9 (FMOx), 2010 WL 5140855, at *5 (C.D. Cal. Dec. 14, 2010); *Innospan Corp. v. Intuit, Inc.*, No. C 10-
10 04422 WHA, 2010 WL 5017014, at *3 (N.D. Cal. Dec. 3, 2010); *Lucent Technologies v. Johnson*, No.
11 CV 00-05668-GHK RNBX, 2000 WL 1604055, at *2 (C.D. Cal. Sept. 12, 2000) (declining to address
12 issue of likelihood of confusion on motion to dismiss). Accordingly, Defendants are not entitled to
13 dismissal on the ground that Plaintiff has failed to allege sufficient facts to show a likelihood of
14 confusion.

15 3. Artistic Relevance Test

16 Next, Defendants argue they are entitled to dismissal of Plaintiff's claims on the ground their
17 use of the term "Web Celeb" is constitutionally-protected speech. In support of this argument,
18 Defendants rely on the artistic relevance test. This test, and the issue of the First Amendment, are
19 affirmative defenses to Plaintiff's claims. As such, they are inappropriate for resolution on a motion to
20 dismiss. *See Scott v. Kuhlmann*, 746 F.2d 1377, 1378 (9th Cir. 1984) (stating affirmative defenses may
21 be raised on motion to dismiss only when there are no disputed issues of fact). Accordingly,
22 Defendants' First Amendment argument does not warrant dismissal of Plaintiff's claims at this stage
23 of the case.³

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28 ³ Defendant's fair use argument suffers the same fate: It is an affirmative defense to Plaintiff's
claims, *Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Management, Inc.*, 618 F.3d 1025,
1031 (9th Cir. 2010), and thus inappropriate for resolution on a motion to dismiss.

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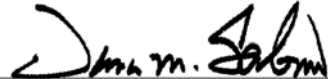
2 **III.**

3 **CONCLUSION AND ORDER**

4 For these reasons, the Court denies Defendants' motion to dismiss.

5 **IT IS SO ORDERED.**

6 DATED: February 13, 2012

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8 HON. DANA M. SABRAW
9 United States District Judge

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